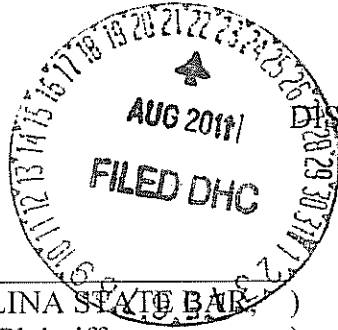


NORTH CAROLINA
WAKE COUNTY



BEFORE THE
DISCIPLINARY HEARING COMMISSION
OF THE
NORTH CAROLINA STATE BAR
FILE NO: 11 DHC 18

THE NORTH CAROLINA STATE BAR,)
Plaintiff)

vs.)

LAURA G. JOHNSON, Attorney,)
Defendant)

ANSWER

NOW COMES the Defendant, by and through counsel, and responds to the Complaint of the Plaintiff as follows:

1. Paragraph 1 is admitted.
2. Paragraph 2 is admitted.
3. Paragraph 3 is admitted.
4. As to Paragraph 4, the responses above are realleged as if fully set forth herein.
5. As to Paragraph 5, it is admitted that Defendant opened a BB&T Trust Account by depositing \$100.00 of personal funds into this account.
6. Paragraph 6 is admitted.
7. Paragraph 7 is admitted.
8. Paragraph 8 is admitted.
9. Paragraph 9 is admitted.
10. Paragraph 10 is admitted.
11. Paragraph 11 is admitted.
12. As to Paragraph 12, it is admitted that on or about June 26, 2008, Defendant inadvertently paid to the Clerk of Court from the Trust Account court costs for clients Sanderson

and Morning in the amounts of \$135 and \$145, her Trust Account checks and her Operating Account checks being the same color and drawn from the same bank. All other allegations contained herein are denied.

13. As to Paragraph 13, the first sentence of that paragraph is admitted. As to the second sentence, it is admitted that Sanderson and Morning's funds had not yet been deposited in Defendant's Trust Account. As to the third sentence, it is admitted that Defendant inadvertently paid a portion of Sanderson and Morning's court costs using entrusted client funds that did not belong to Sanderson, Morning or Defendant. All other allegations contained herein are denied.

14. Paragraph 14 is admitted.

15. As to Paragraph 15, it is admitted that Scott, a staff member of the Defendant's law firm, did not have \$120 in the Trust Account, but Defendant thought she had her own personal funds in the Trust Account, being unaware of her prior mistake in the use of the Trust Account checks. It is further admitted that during the initial phases of setting up Defendant's practice, there was some confusion over the use of operational accounts and trust accounts by staff and the Defendant herself, and at all times during the two above noted incidents, the Defendant had received money from Sanderson, Morning and Scott, but had not put it in the Trust Account. All other allegations contained herein are denied.

16. Paragraph 16 is admitted.

17. Paragraph 17 is admitted.

18. As to Paragraph 18, the responses above are realleged as if fully set forth herein.

19. Paragraph 19 is admitted.

20. As to Paragraph 20, it is admitted that Defendant delegated the check writing responsibilities of the McGrath Closing funds to Ruby Ellis of Tri-Accounting, an accounting

firm which shared office space with the Defendant. It is denied that Ruby Ellis had access via check writing authority or otherwise, to Defendant's Trust Account. All other allegations contained herein are denied.

21. As to Paragraph 21, it is admitted that on or about January 17, 2008, Ruby Ellis assisted Defendant in transferring McGrath's closing funds to Defendant's operating account. It is further admitted that Defendant signed those checks believing she was transferring the money from the operating account to the Trust Account. In other words, there was confusion on behalf of the Defendant as to where the money had originally been placed and where it was being transferred to in the Defendant's mind. All other allegations contained herein are denied.

22. As to Paragraph 22, it is admitted that Defendant failed to properly review the checks she signed regarding the disbursement of the McGrath closing funds into her operating account. All other allegations contained herein are denied.

23. As to Paragraph 23, it is admitted that sometime prior to January 22, 2008, Defendant caught the error, called the bank, but the money had already been disbursed from the operating account to the appropriate parties for the closing. All other allegations contained herein are denied.

24. As to Paragraph 24, it is admitted that at some point in time, Defendant disbursed from Defendant's operating account an additional \$510.50 on McGrath's behalf and that McGrath only had \$73 left in Defendant's operating account at the time of this disbursement and that Defendant's personal funds were used to fund the overdisbursement she had made on McGrath's behalf. All other allegations contained herein are denied.

25. Paragraph 25 is admitted.

26. As to Paragraph 26, the responses above are realleged as if fully set forth herein.

27. Paragraph 27 is admitted.
28. Paragraph 28 is admitted.
29. Paragraph 29 is admitted.
30. Paragraph 30 is admitted.
31. Paragraph 31 is admitted.
32. Paragraph 32 is admitted.
33. Paragraph 33 is admitted.
34. As to Paragraph 34, the responses above are realleged as if fully set forth herein.
35. Paragraph 35 is admitted.
36. Paragraph 36 is admitted.
37. Paragraph 37 is admitted.
38. Paragraph 38 is admitted.
39. Paragraph 39 is admitted.
40. Paragraph 40 is admitted.
41. As to Paragraph 41, the responses above are realleged as if fully set forth herein.
42. Paragraph 42 is admitted.
43. Paragraph 43 is admitted.
44. Paragraph 44 is admitted.
45. Paragraph 45 is admitted.
46. Paragraph 46 is admitted.
47. Paragraph 47 is admitted.
48. Paragraph 48 is admitted.
49. Paragraph 49 is admitted.

50. As to the first sentence of Paragraph 50, that sentence is admitted. As to the second sentence, it is denied that Defendant did not pay the title insurance premium in that Defendant paid it with her own funds. It is further denied that the Defendant did not pay the Seller's pro rata share of the real estate taxes, those having been paid. Any further outstanding taxes for the year of closing were the responsibility of the Buyer under the pro rata provisions of the real estate contract. Furthermore, it is admitted that none of the above stated accounting errors in claims for relief 1-5 redound to the financial benefit of the Defendant and, in fact, cost the Defendant her own additional personal funds to correct or mitigate. All other allegations contained herein are denied.

GENERAL DENIAL

Any allegations stating a legal conclusion do not require a factual response. All allegations not specifically admitted herein are denied.

FURTHER DEFENSE


The Defendant, although having been licensed to practice law for some time in New York and North Carolina, prior to January 1, 2008, had never been in private practice before or been responsible for maintaining a trust account and the errors alleged in the Complaint were a result of good faith mistakes occurring within her first year of private practice.

WHEREFORE, the Defendant prays for the following:

1. That this disciplinary action be dismissed and non-disciplinary action or training assistance be substituted in its stead.

2. For such other and further relief as the Hearing Panel deems appropriate.

This the 19th day of August, 2011.


GARRIS NEIL YARBOROUGH
Attorney for Defendant
PO Box 705
Fayetteville, NC 28302
(910) 433-4433

CERTIFICATE OF SERVICE

I do hereby certify that a copy of the foregoing Answer has been duly served upon the below named individual by United States Postal Service to the following address:

**Ms. Leanor Hodge
NC State Bar
PO Box 25908
Raleigh NC 27611**

This the 19th day of August, 2011.

By: _____


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